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Arizona Corporation Commission

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IN THE MATTER OF THE REVIEW AND  
POSSIBLE REVISION OF ARIZONA  
UNIVERSAL SERVICE FUND RULES, ARTICLE  
12 OF THE ARIZONA ADMINISTRATIVE  
CODE.

Docket No. RT-00000H-97-0137

IN THE MATTER OF THE INVESTIGATION OF  
THE COST OF TELECOMMUNICATIONS  
ACCESS

Docket No. T-00000D-00-0672

**COX ARIZONA TELCOM'S COMMENTS IN RESPONSE TO  
MARCH 20, 2012 PROCEDURAL ORDER**

Cox Arizona Telcom, LLC ("Cox"), through undersigned counsel, submits its comments and recommendations in response to the issues identified in the March 20, 2012 Procedural Order in this docket.

1. In light of the *CAF Order*, is there a need for the Commission to determine what carriers should be covered by access reform, or a target level for intrastate access charges? Does the *CAF Order* address all access charge rate elements that have been addressed in these dockets? If not, should the Commission take action with respect to these rate elements? Does it make sense for the Commission to act on access charge reform while the *CAF Order* is on appeal, or while the FCC continues to consider comments on the Order?

1 The FCC's *USF/ICC Transformation Order* ("*CAF Order*")<sup>1</sup> has set forth the process  
2 and timeline for access reform for terminating interstate and intrastate access for all  
3 carriers. It would not be necessary for the ACC to make further determination of  
4 access reform by carrier type. Doing so would create confusion and unnecessary  
5 duplication of the actual methodology that the FCC has already set in motion. While  
6 the FCC has not addressed all access rate elements in the *CAF Order*, it has issued a  
7 Further Notice of Proposed Rulemaking (FNPRM) seeking input on remaining issues  
8 that still need to be addressed as well as three Orders on Reconsideration.<sup>2</sup> As a result,  
9 Cox does not believe the Commission needs to address any access rate elements at this  
10 time.

11  
12 **2. Do any parties wish to modify or augment their recommendations concerning**  
13 **access charge reform in light of the FCC's actions?**  
14

15 Cox has no changes to its original recommendations, particularly now that the FCC has  
16 issued the *CAF Order*. The FCC has outlined a path toward access reform that  
17 encompasses both interstate and intrastate reform. Any state reform must ensure that it  
18 does not frustrate the ultimate goals of the federal reform.  
19

20 **3. Given the CAF Order, does the Commission need to establish procedures to**  
21 **implement intrastate access reform? And if yes, what procedures are**  
22 **recommended?**  
23

24  
25 <sup>1</sup> See *Connect America Fund et al.*, WC Dkt. No. 10-90 *et al.*, Report and Order and Further Notice of Proposed  
Rulemaking, FCC 11-161 (rel. Nov. 18, 2011)

26 <sup>2</sup> See *id.*; *Connect America Fund et al.*, WC Dkt. No. 10-90 *et al.*, Order on Reconsideration, FCC 11-189, (rel. Dec.  
27 23, 2011); *Connect America Fund et al.*, WC Dkt. No. 10-90 *et al.*, Second Order on Reconsideration, FCC 12-47  
(rel. April 25, 2012); *Connect America Fund et al.*, WC Dkt. No. 10-90 *et al.*, Third Order on Reconsideration, FCC  
12-52 (rel. May 14, 2012).

Cox does not believe that the Commission needs to establish any additional procedures to implement intrastate access reform. The FCC has established a clear process and timeline for intrastate and interstate access reform applicable to all carriers. There is no need for the Commission to establish different procedures that may ultimately be inconsistent with the *CAF Order* and subsequent FCC rulemakings. The Commission, however, does have an important role in ensuring interexchange carriers and others who utilize intrastate switched access services honor tariffs filed in furtherance of the *CAF Order* and the Order on Reconsideration.

4. **Given the CAF Order, does there remain a need to address the question of whether carriers should be permitted to contract for access rates that differ from their tariffed rates? If there is still a need, is the current record sufficient to resolve the issue?**

Cox does not believe there is a need for the Commission to address this issue within the context of these dockets. As most carriers have tariffs that grant them the ability to contract on an individual case basis ("ICB"), no further action by the Commission in these dockets would be required. Carriers that lack such language that may want to offer discounted access rates below their tariffed rates would just need to file the appropriate tariff's seeking the Commission's authorization to do so.

5. **Does the CAF Order impact the AUSF? Should the Commission proceed with revisions to the AUSF rules? Why or why not? How should the AUSF be revised? Is the current record sufficient to support any revised recommended reforms?**

1 Cox takes no position on this issue at this time, but reserves it right to respond to other  
2 comments on the issue.

- 3  
4 **6. In light of the intervening events, do the interested parties have modifications to**  
5 **any of the earlier recommendations about the AUSF not already addressed?**  
6 **Procedurally, how should the Commission consider any revised**  
7 **recommendations?**  
8

9 Cox takes no position on this issue at this time, but reserves it right to respond to other  
10 comments on the issue.

- 11  
12 **7. Is there any reason why the Commission should not act now concerning**  
13 **centralized administration and automatic enrollment of Lifeline and Link-up?**  
14

15 Cox believes that the ACC does not need to take any action at this time related to  
16 centralized administration and automatic enrollment of Lifeline and Link-up services.  
17 The FCC was clear in its Lifeline Order<sup>3</sup> that it did not support nor recommended  
18 automatic enrollment of Lifeline customers. In addition, the FCC has eliminated any  
19 reimbursement for Link-Up services, except on Tribal Lands. As the FCC continues to  
20 reform the Lifeline program, it has sought additional comments in its Further Notice of  
21 Proposed Rulemaking (FNPRM).<sup>4</sup> This continued reform will further streamline and  
22 simplify the program in ways that will maximize competition, reduce costs and  
23 ultimately benefit consumers.  
24

25  
26 <sup>3</sup> See *Lifeline and Link Up Reform and Modernization et al.*, WC Dkt. No. 11-42 *et al.*, Report and Order and Further  
Notice of Rulemaking, FCC 12-11 (rel. Feb. 6, 2012).

27 <sup>4</sup> Id.

- 1           **8. In light of the CAF Order's reference to the role of states in the implementation of**  
2           **the reforms addressed in that Order, should the Commission take further action**  
3           **in these dockets? If yes, what?**

4  
5           Not at this time. The *CAF Order* sets forth a clear and concise plan to ultimately bring  
6           interstate and intrastate access rates and other reciprocal compensation rates to bill and  
7           keep over the next few years. Cox believes that the state's role in implementing and  
8           ensuring the transition of terminating intrastate access rates and eventually originating  
9           rates is important and its focus should be on such implementation of the *CAF Order*.  
10          The FCC specifically calls for filing of intrastate tariffs to implement the reforms as  
11          they pertain to switched access services for intrastate calls. The Commission should  
12          ensure that such tariffs are enforced.

- 13  
14          **9. Are current rate case procedures adequate, or should the Commission establish**  
15          **procedures for rate of return carriers that are not able to absorb lost access**  
16          **charge revenues?**

17  
18          Cox takes no position on this issue at this time, but reserves it right to respond to other  
19          comments on the issue.

- 20  
21          **10. Should the Commission seek carrier-specific information about the anticipated**  
22          **impact of the FCC's CAF Order on carrier revenues? If yes, from all carriers, or,**  
23          **e.g., only from rate of return carriers?**

24  
25          Incumbent carriers are provided with recovery under the *CAF Order* and, unless the  
26          Commission orders further or faster access charge reductions, no further support  
27          should be required for rate of return carriers or any other incumbents. The

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Commission should require revenue or other information as to the impacts of the *CAF Order* and the end user charges of incumbent carriers only to the extent necessary to ensure that carriers do not over-recover under the *CAF Order*'s recovery provisions.

**11. Are there any other issues that can or should be addressed in these dockets? If yes, how should they be addressed procedurally?**

Cox has no other issues to address at this time, but reserves it right to respond to other issues that may be raised in this proceeding.

RESPECTFULLY SUBMITTED this 15<sup>th</sup> day of May 2012.

**COX ARIZONA TELCOM, LLC**

By 

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